

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

In re)	
)	PROMESA
)	Title III
THE FINANCIAL OVERSIGHT AND)	
MANAGEMENT BOARD FOR PUERTO RICO,)	No. 17 BK 3283-LTS
)	
As a representative of)	(Jointly Administered)
)	
THE COMMONWEALTH OF PUERTO RICO)	Re: ECF Dkt. Nos. 22847, 23026
et al.,)	
)	Hearing date: December 14, 2022, at 9:30 a.m.
Debtors. ¹)	(AST)

**FEE EXAMINER AND GODFREY & KAHN, S.C.’S STIPULATION TO ADJOURN
THE DISCRETE MATTER OF REPAYMENT OF THE TAX WITHHOLDINGS IN
CONNECTION WITH THEIR TENTH INTERIM AND CONSOLIDATED
SEMIANNUAL APPLICATION FOR ALLOWANCE OF COMPENSATION FOR
SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD
FROM APRIL 1, 2022 THROUGH SEPTEMBER 30, 2022 [Dkt. No. 22847] SET FOR
HEARING ON DECEMBER 14-15, 2022, OMNIBUS HEARING**

TO: HON. LAURA TAYLOR SWAIN,
UNITED STATES DISTRICT JUDGE

1. On November 11, 2022, the Fee Examiner filed the *Tenth Interim and Consolidated Semiannual Application of The Fee Examiner and Godfrey & Kahn, S.C., Counsel to the Fee Examiner, for Allowance of Compensation for Services Rendered and Reimbursement*

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the: (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and, (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747) Puerto Rico Public Buildings Authority (“PBA”) (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

of Expenses for the Period from April 1, 2022 through September 30, 2022 [Dkt. No. 22847] (the “**Application**”) and the *Notice of Filing of Tenth Interim and Consolidated Semiannual Application of the Fee Examiner and Godfrey & Kahn, S.C., Counsel to the Fee Examiner, for Allowance of Compensation for Services Rendered and Reimbursement of Expenses for the Period from April 1, 2022 through September 30, 2022* [Dkt. No. 22848] (the “**Notice**”).

2. Objections to the Application were to be filed and served no later than December 2, 2022 at 4:00 p.m. (AST) (the “**Objection Deadline**”). No objections were filed.

3. On December 8, 2022, the Court issued an *Order Concerning Tenth Interim and Consolidated Semiannual Application of the Fee Examiner and Godfrey & Kahn, S.C.* [Dkt. No. 23026], requesting additional information about the tax withholding portion of the Application.

4. On December 9, 2022, in response to the Court’s order, Godfrey & Kahn, S.C. and the Fee Examiner filed the *Supplemental Declaration of Katherine Stadler in Support of Tenth Interim and Consolidated Semiannual Application of the Fee Examiner and Godfrey & Kahn, S.C.* [Dkt. No. 23035] (the “**Supplemental Declaration**”).

5. On December 13, 2022, the Court issued an *Order Concerning Responses to the Tenth Interim and Consolidated Semiannual Application of the Fee Examiner and Godfrey & Kahn, S.C.* [Dkt. No. 23052] allowing responses to the Supplemental Declaration to be filed by December 13, 2022 at 5:00 p.m. (AST) (the “**Response Deadline**”).

6. After the Court issued its December 13th Order, counsel for the Fee Examiner discussed the Response Deadline with counsel for AAFAF. Counsel for AAFAF sought additional time so that it could discuss the tax withholding issue internally and with Hacienda in order to attempt to consensually resolve the same. As a result, Godfrey & Kahn, S.C. has agreed to adjourn the issue of the tax withholding component of the Application.

7. Attached as **Exhibit A** is a revised proposed order authorizing payment of the fees and expenses sought in the Application but adjourning consideration of the tax withholding amounts sought in the Application to the February 1, 2023 omnibus hearing.

Dated: December 13, 2022.

WE HEREBY CERTIFY that on this date, we electronically filed the foregoing report with the Clerk of the Court using the CM/ECF system that will send notification of such filing to all attorneys of record registered in the use of the CM/ECF system.

EDGE LEGAL, LLC

s/Eyck O. Lugo
Eyck O. Lugo
252 Ponce de León Avenue
Citibank Tower, 12th Floor
San Juan, PR 00918
Telephone: (787) 522-2000
Facsimile: (787) 522-2010

Puerto Rico Counsel for Fee Examiner

GODFREY & KAHN, S.C.
One East Main Street, Suite 500
Madison, WI 53703
Telephone: (608) 257-3911
Facsimile: (608) 257-0609

Brady C. Williamson (*Pro Hac Vice*)
Fee Examiner

Mark W. Hancock (*Pro Hac Vice*)
Counsel for the Fee Examiner

28443986.1

EXHIBIT A

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re

THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO,

As a representative of

THE COMMONWEALTH OF PUERTO RICO
et al.,

Debtors.¹

PROMESA
Title III

No. 17 BK 3283-LTS

(Jointly Administered)

Re: Dkt. No. 22847

**ORDER ALLOWING TENTH INTERIM AND CONSOLIDATED SEMIANNUAL
APPLICATION OF THE FEE EXAMINER AND GODFREY & KAHN, S.C. BUT
ADJOURNING ONLY THE TAX WITHHOLDING ISSUE**

This matter coming before the Court on the *Tenth Interim and Consolidated Semiannual Application of the Fee Examiner and Godfrey & Kahn, S.C., Counsel to the Fee Examiner, for Allowance of Compensation for Services Rendered and Reimbursement of Expenses for the Period from April 1, 2022 through September 30, 2022* [Dkt. No. 22847] (the “**Application**”) and the *Fee Examiner and Godfrey & Kahn, S.C.’s Stipulation to Adjourn the Discrete Matter of Repayment of the Tax Withholdings in Connection with their Tenth Interim and Consolidated Semiannual Application for Allowance of Compensation for Services Rendered and Reimbursement of*

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the: (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and, (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747) Puerto Rico Public Buildings Authority (“PBA”) (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

*Expenses for the Period from April 1, 2022 through September 30, 2022 [Dkt. No. 22847] Set for Hearing on December 14-15, 2022, Omnibus Hearing [Dkt. No. _____], pursuant to section 316 of the Puerto Rico Oversight, Management and Economic Stability Act (“PROMESA”), 48 U.S.C. §§ 2101-2241, and Rule 2016 of the Federal Rules of Bankruptcy Procedure, for the interim allowance of certain fees and expenses, including all holdbacks, incurred by the applicants for the specific period of time set forth in the Application (the “**Compensation Period**”), filed in accordance with the *Third Amended Order Setting Procedures for Interim and Final Compensation and Reimbursement of Expenses of Professionals* [Dkt. No. 20546] (the “**Interim Compensation Order**”), the *Sixteenth Amended Notice, Case Management and Administrative Procedures* [Dkt. No. 20190-1] (the “**Case Management Procedures**”), the *First Amended Order Pursuant to PROMESA Sections 316 and 317 and Bankruptcy Code Section 105(A) Appointing a Fee Examiner and Related Relief* [Dkt. No. 3324] (the “**Fee Examiner Order**”), and the *Order Authorizing the Employment of Godfrey & Kahn, S.C. as Counsel to the Fee Examiner* [Dkt. No. 1993], and the Court having reviewed the Application; and the Court finding that: (a) the Court has jurisdiction over this matter pursuant to PROMESA section 306(a); and (b) notice of the Application and the hearing thereon was adequate under the circumstances; and (c) all parties with notice of the Application have been afforded the opportunity to be heard on the Application, and no objections having been filed; now therefore*

IT IS HEREBY ORDERED THAT:

1. The Application is GRANTED on an interim basis.
2. The applicants are allowed (a) \$893,779.30 in interim compensation for services rendered during the Compensation Period, and (b) \$103.90 in interim reimbursement for

actual and necessary expenses incurred during the Compensation Period, including any and all holdbacks.

3. The matter of \$116,526.30 in tax withholdings, the refund of which was part of the Application, will be adjourned to the February 1, 2023 omnibus hearing date.

4. To the extent not already paid pursuant to the Interim Compensation Order, the Debtors are hereby authorized and directed to pay the applicants—within 15 days of the entry of this order—100 percent of the fees for services rendered, 100 percent of the expenses incurred during the Compensation Period, but, pending further hearing, no part of the previously-withheld tax withholdings described above shall be paid.

Dated: December ____, 2022.

THE HONORABLE LAURA TAYLOR SWAIN
UNITED STATES DISTRICT COURT JUDGE

28444504.1